

AMENDED IN SENATE MAY 12, 2005

SENATE BILL

No. 548

Introduced by Senator Morrow

February 18, 2005

An act to amend Section 11007 of the Government Code, relating to state construction projects.

LEGISLATIVE COUNSEL'S DIGEST

SB 548, as amended, Morrow. State construction projects: insurance.

Existing law generally prohibits property belonging to the state from being insured against risk of damage or destruction by fire, with specified exceptions.

This bill would ~~provide that~~, notwithstanding this general prohibition, *authorize* the Director of General Services ~~may~~ to establish a master builders' risk insurance program for all state construction projects during construction *and would require that program to provide that if a master policy is issued, that policy would require a deductible of at least \$25,000 from the contractor.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 11007 of the Government Code is
- 2 amended to read:
- 3 11007. (a) Except as expressly authorized by law or as
- 4 specifically authorized by the Director of General Services,
- 5 property belonging to the state shall not be insured against risk of
- 6 damage or destruction by fire, and the policies of fire insurance

1 upon any property belonging to the state shall not be renewed.
2 This section is not applicable to the State Compensation
3 Insurance Fund nor to property owned by it.

4 (b) Notwithstanding the provisions of subdivision (a), the
5 Director of General Services may establish a master builders'
6 risk insurance program for all state construction projects during
7 construction.

8 (c) Insurance authorized by this section shall be procured
9 utilizing insurance procurement procedures approved by the
10 Director of General Services.

11 *(d) The master builders' risk insurance program established*
12 *pursuant to subdivision (b) shall provide that if a master policy is*
13 *issued, that policy shall require a deductible from the contractor*
14 *of at least twenty-five thousand dollars (\$25,000).*